

REMARKS

Summary of the Office Action

(1) Claims 59-0, 62-69, 71-75 and 78-79 stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite.

(3) Claims 38-42, 44-46, 48-51, 56-60, 62-69, 71-75 and 78-97 stand rejected under 35 U.S.C. 101 because of non-statutory subject matter.

(4) Claims 38-97 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Shorter (US 2002/0198782).

Rejections Under 35 U.S.C. § 112

Claim 59: The rejection states that the claim is confusing because the preamble recites a "system" while the body of the claim recites software elements. In fact, the body of the claim recites "one or more modules" and a "module" is not necessarily a software element. Furthermore, there is no reason why a system cannot be comprised entirely of software elements. If there is, Applicant would appreciate the Examiner providing legal foundation for that conclusion.

Claims 40-41 and 62-63: The rejections as recited are (i) "it is not clear how exactly the 'enabling sub-step' is to be performed," and (ii) "it is not clear how *enabling* sub-step I connected to *capability of electing* sub-step." Applicant respectfully requests the Examiner to reconsider. The claim merely recites a provision of allowing a client to make a decision of whether a particular partner become a subscriber. There are no sub-steps. Applicant believes that the Examiner is applying an overly subjective standard in rejecting the claim as being confusing.

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Rejections Under 35 U.S.C. § 101

While the Examiner has provided an analysis of what is construed as statutory subject-matter, the Examiner does not apply the same analysis to the claims. Specifically, please consider responses to these statements:

1. Office Action: "the claims do not include limitations that would suggest a computer is being used to transform the data from one form to another that would place the invention in the technological arts."

RESPONSE: What Claim 38, recited, for example is "Computer-implemented method" and "over a network"

2. Office Action: "there does not appear to be any physical transformation of data"

RESPONSE: To the contrary, what Claim 38: "determining a value...calculating a balance...based at least in part on the value....communicating the balance...over a network." In short, a value is determined, transformed into a balance, and sent over a network. The act of sending data over the network is a physical transformation.

Furthermore, Applicant respectfully disagrees with many of the legal positions taken in the Office Action. For example, the Office Action states: "Mere recitation in the preamble (i.e. intended or field of use) a computer, or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble." As such, the Office Action (i) ignores the limitation of "computer-implemented", and (ii) the all §101 arguments are based on ignoring the limitation. However, the statements regarding the effect of the preamble are contrary to case law, as explained in the MPEP:

- "If the claim preamble, when read in the context of the entire claim, recites limitations of the claim, or, if the claim preamble is 'necessary to

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give life, meaning, and vitality to the claim, then the claim preamble should be construed as if in the balance of the claim." MPEP 2111.02 (quoting *Pitney Bowes*)

- "Any terminology in the preamble that limits the structure of the claimed invention must be treated as a claim limitation." MPEP 2111.02
- "The determination of whether preamble recitation are structural limitations or mere statements of purpose or use can be resolved only on review of the entirety of the record to gain an understanding of what the inventors actually inventoried and intended to encompass by the claim."

It is Applicant's position that these MPEP statements indicate (i) "computer-implemented" should be treated as a substantive limitation, (ii) Examiner cannot simply assume the preamble is a statement of use, and in fact, the preamble does include substantive limitations in this case, and (iii) the Office Action statement that "Mere recitation in the preamble (i.e. intended or field of use) a computer, or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea *unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble*" (emphasis added by Applicant) is not a proper wording of the test. No positive recitation in the claim is needed.

In any case, the claims recite use of "a network" which is additional statutory subject matter.

The Office Action's statement regarding the "wherein" clause is not understood. It is Applicant's position that any wherein clause, and in particular one used by Applicant, is a positive limitation of the claims. Applicant requests clarification if the Examiner still disagrees.

Rejections Under 35 U.S.C. § 103

In Applying Shorter, Applicant respectfully submits that the Office Action has oversimplified Applicant's invention, and missed several differentiating elements. Applicant would appreciate if the Examiner reconsiders the following:

1. OFFICE ACTION, Page 11 paragraph 3: "It is noted that Shorter teaches providing services to a subscriber community over the Internet, wherein existing members can refer new subscribers to the system, obviously indicates collaboration features [0035] – [0038]; [0035]."

APPLICANT'S RESPONSE: "Collaboration" is not being properly applied by the Examiner. The Cambridge dictionary defined collaboration as "Working **with** someone else for a special purpose." The Merriam-Webster dictionary defined collaboration as "to work **jointly with others** or **together** especially in an intellectual endeavor."

In view of the definitions, Shorter does not teach collaboration since making a unilateral referral to a non-user by a user is not collaboration. Furthermore, the unilateral referral action is conducted between a user (someone who is already using the service) and a non-user (someone who has not used the service.) Shorter does not teach collaboration amongst users of one enterprise solution.

The present invention addresses a problem that Shorter cannot. To provide an illustrative example, under Applicant's invention, client first sign up for a host subscription fee for the entire community, which consists of all 5,000 partners. Including the clients, the collaboration community now has a total of 5,001 partners. If one assumes 600 enrollments take place, the client now incurred the entire host subscription fee of 5,001 partners minus the bonus generated by the 600 partner enrollments. However, the client is now able to collaborate with the entire 5,000 partners. The client now has a system that reaches all partners. Shorter's teaching, in this example, will only allow 601 non-collaborative subscribers using the service.

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As time goes on in the present invention, there may be additional enrollments, additional users, exit-enrollments, etc. The host subscription fee becomes ever-changing. However, one thing does not change – the client's ability to collaborate with all partners.

The example provided can be extended to Shorter, to illustrate the difference with Applicant's invention. Under Shorter, there is no collaboration, and there are no partners.

Applicant concedes that Shorter teaches that a user pays subscription for its own usage. However, Applicant's invention includes a client who is responsible for the subscription fee of the entire collaboration community; whereas in Shorter, no one is responsible for a collaboration community fee since Shorter does not teach collaboration among users. Further more, Shorter does not even teach a user to be responsible for subscription fees of multiple users, let alone the fee of a collaboration community. The client, who is responsible for collaboration community, is not the same as a user in the Shorter's teaching. They are different in nature.

In Applicant's invention, the user using the system is not required to first enroll a subscription, and such user's are specifically referred to as non-subscribers. In Shorter, any user must first enroll a subscription before becoming a user. Applicant's invention addresses this type of user category that Shorter did not.

Even if Shorter was to permit collaboration, under Shorter, any client would not be able to collaborate with all the partners unless all partners agree to buy a subscription. This is unlikely, and a specific situation that is addressed by Applicant's invention.

Shorter does not teach collaboration among users and has no collaboration communities among users. Applicant's invention teaches collaboration among users, thus having collaboration communities.

Shorter teaches when a referee purchases a subscription due to a referral the subscription will generate bonus to offset the subscription of the referrer; whereas, the present invention teaches that when the referee purchases a subscription due to a referral made by a referrer, the referee subscription plan generates a bonus toward offsetting a community collaboration fee to which he belongs instead of the referrer subscription fee.

Shorter teaches that a user can only have one referrer, while the present invention teaches that a user can have as many referrers as the number of collaboration communities to which he belongs.

The present invention covers four types of users, while Shorter covers just one:

- 1) A user buys a subscription plan for the entire collaboration community.
- 2) A user not invited and not required to buy a subscription plan.
- 3) A user who got invited to buy a subscription plan but did not.
- 4) A user who buys his own subscription plan.

In summary, if an entity was to attempt to address a business problem, such as how will a user collaborate with his entire collaboration communities when some of his community members wish not to buy subscriptions, Shorter invention will not address this issue; whereas, Applicant's invention will.

CONCLUSION

The Applicant respectfully requests that the Examiner enter this Response, reconsider the pending claims and issue a Notice of Allowance. If the Examiner believes a telephone conference would expedite prosecution of this application, the Applicant requests that the Examiner telephone the undersigned at the number below.

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The undersigned hereby certifies that this paper is being submitted by facsimile transmission to the U.S. Patent Office using fax number 17038729306; or submitted with the U.S. Postal service with sufficient postage as first class mail, addressed to "Mail Stop Non-Fee Amendment, Commissioner for Patents, Box 1450, Alexandria, VA 22313-1450" on December 22, 2004 by Van Mahamedi



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